

[CHAPTER 950]

AN ACT

August 10, 1946

[H. R. 5626]

[Public Law 718]

Veterans' Adminis-
tration.
Employment of re-
tired officers.

To authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), or section 6 of the Act of May 10, 1916 (39 Stat. 120), as amended (5 U. S. C. 58, 59), the Administrator of Veterans' Affairs may appoint to, and employ in, any civilian office or position in the Veterans' Administration, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed and, except as provided in section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended (5 U. S. C. 59a), any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Veterans' Administration or the receipt of the pay thereof.

Effective period.

SEC. 2. The authority to employ retired commissioned officers or retired warrant officers contained in section 1 of this Act shall be effective for a period of five years from the date of enactment.

Approved August 10, 1946.

[CHAPTER 951]

AN ACT

August 10, 1946

[H. R. 7037]

[Public Law 719]

Social Security Act
Amendments of 1946.

To amend the Social Security Act and the Internal Revenue Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1946".

TITLE I—SOCIAL SECURITY TAXES

SEC. 101. RATES OF TAX ON EMPLOYEES.

Clauses (1) and (2) of section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400), as amended, are amended to read as follows:

"(1) With respect to wages received during the calendar years 1939 to 1947, both inclusive, the rate shall be 1 per centum.

"(2) With respect to wages received during the calendar year 1948, the rate shall be 2½ per centum."

SEC. 102. RATES OF TAX ON EMPLOYERS.

Clauses (1) and (2) of section 1410 of such Act (Internal Revenue Code, sec. 1410), as amended, are amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939 to 1947, both inclusive, the rate shall be 1 per centum.

"(2) With respect to wages paid during the calendar year 1948, the rate shall be 2½ per centum."

53 Stat. 175.
26 U. S. C. § 1400 (1),
(2); Supp. V, § 1400
(1), (2).

53 Stat. 175.
26 U. S. C. § 1410
(1), (2); Supp. V, §
1410 (1), (2).

TITLE II—BENEFITS IN CASE OF DECEASED WORLD WAR II VETERANS

SEC. 201. The Social Security Act, as amended, is amended by adding after subsection (r) of section 209 of Title II (added to such section by section 411 of this Act) a new section to read as follows:

49 Stat. 620.
42 U. S. C. §§ 301-
1307; Supp. V, § 401
et seq.
Anic. p. 732; post,
pp. 981, 982 et seq.

"BENEFITS IN CASE OF DECEASED WORLD WAR II VETERANS

"SEC. 210. (a) Any individual who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the date of the termination of World War II, and who has been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of a disability or injury incurred or aggravated in service in line of duty, shall in the event of his death during the period of three years immediately following separation from the active military or naval service, whether his death occurs on, before, or after the date of the enactment of this section, be deemed—

"(1) to have died a fully insured individual;

"(2) to have an average monthly wage of not less than \$160;

and

"(3) for the purposes of section 209 (e) (2), to have been paid not less than \$200 of wages in each calendar year in which he had thirty days or more of active service after September 16, 1940.

53 Stat. 1373.
42 U. S. C. § 409 (e)
(2).

Nonapplicability.

This section shall not apply in the case of the death of any individual occurring (either on, before, or after the date of the enactment of this section) while he is in the active military or naval service, or in the case of the death of any individual who has been discharged or released from the active military or naval service of the United States subsequent to the expiration of four years and one day after the date of the termination of World War II.

"(b) (1) If any pension or compensation is determined by the Veterans' Administration to be payable on the basis of the death of any individual referred to in subsection (a) of this section, any monthly benefits or lump-sum death payment payable under this title with respect to the wages of such individual shall be determined without regard to such subsection (a).

Monthly benefits,
etc.

"(2) Upon an application for benefits or a lump-sum death payment with respect to the death of any individual referred to in subsection (a), the Federal Security Administrator shall make a decision without regard to paragraph (1) of this subsection unless he has been notified by the Veterans' Administration that pension or compensation is determined to be payable by the Veterans' Administration by reason of the death of such individual. The Federal Security Administrator shall notify the Veterans' Administration of any decision made by him authorizing payment, pursuant to subsection (a), of monthly benefits or of a lump-sum death payment. If the Veterans' Administration in any such case has made an adjudication or thereafter makes an adjudication that any pension or compensation is payable under any law administered by it, by reason of the death of any such individual, it shall notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment, or shall recompute the amount of any further benefits payable,

Decision by Admin-
istrator.

Notice of adjudica-
tion.

as may be required by paragraph (1) of this subsection. Any payments theretofore certified by the Federal Security Administrator pursuant to subsection (a) to any individual, not exceeding the amount of any accrued pension or compensation payable to him by the Veterans' Administration, shall (notwithstanding the provisions of sec. 3 of the Act of August 12, 1935, as amended (U. S. C., 1940 edition, title 38, sec. 454a)) be deemed to have been paid to him by the Veterans' Administration on account of such accrued pension or compensation. No such payment certified by the Federal Security Administrator, and no payment certified by him for any month prior to the first month for which any pension or compensation is paid by the Veterans' Administration, shall be deemed by reason of this subsection to have been an erroneous payment.

"(c) In the event any individual referred to in subsection (a) has died during such three-year period but before the date of the enactment of this section—

"(1) upon application filed within six months after the date of the enactment of this section, any monthly benefits payable with respect to the wages of such individual (including benefits for months before such date) shall be computed or recomputed and shall be paid in accordance with subsection (a), in the same manner as though such application had been filed in the first month in which all conditions of entitlement to such benefits, other than the filing of an application, were met;

"(2) if any individual who upon filing application would have been entitled to benefits or to a recomputation of benefits under paragraph (1) has died before the expiration of six months after the date of the enactment of this section, the application may be filed within the same period by any other individual entitled to benefits with respect to the same wages, and the nonpayment or underpayment to the deceased individual shall be treated as erroneous within the meaning of section 204;

"(3) the time within which proof of dependency under section 202 (f) or any application under 202 (g) may be filed shall be not less than six months after the date of the enactment of this section; and

"(4) application for a lump-sum death payment or recomputation, pursuant to this section, of a lump-sum death payment certified by the Board or the Federal Security Administrator, prior to the date of the enactment of this section, for payment with respect to the wages of any such individual may be filed within a period not less than six months from the date of the enactment of this section or a period of two years after the date of the death of any individual specified in subsection (a), whichever is the later, and any additional payment shall be made to the same individual or individuals as though the application were an original application for a lump-sum death payment with respect to such wages.

No lump-sum death payment shall be made or recomputed with respect to the wages of an individual if any monthly benefit with respect to his wages is, or upon filing application would be, payable for the month in which he died; but except as otherwise specifically provided in this section no payment heretofore made shall be rendered erroneous by the enactment of this section.

"(d) There are hereby authorized to be appropriated to the Trust Fund from time to time such sums as may be necessary to meet the additional cost, resulting from this section, of the benefits (including lump-sum death payments) payable under this title.

49 Stat. 609.

Person dying prior to enactment of section.

49 Stat. 624.

42 U. S. C. § 404.

53 Stat. 1366.

42 U. S. C. § 402 (f),

(g).
Post, p. 987.

Appropriation authorized.

“(e) For the purposes of this section the term ‘date of the termination of World War II’ means the date proclaimed by the President as the date of such termination, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, whichever is the earlier.”

“Date of the termination of World War II.”

SEC. 202. When used in the Social Security Act, as amended by this Act, the term “Administrator”, except where the context otherwise requires, means the Federal Security Administrator.

“Administrator.”

TITLE III—UNEMPLOYMENT COMPENSATION FOR MARITIME WORKERS

SEC. 301. STATE COVERAGE OF MARITIME WORKERS.

(a) The Internal Revenue Code, as amended, is amended by adding after section 1606 (e) a new subsection to read as follows:

“(f) The legislature of any State in which a person maintains the operating office, from which the operations of an American vessel operating on navigable waters within or within and without the United States are ordinarily and regularly supervised, managed, directed and controlled, may require such person and the officers and members of the crew of such vessel to make contributions to its unemployment fund under its State unemployment compensation law approved by the Federal Security Administrator (or approved by the Social Security Board prior to July 16, 1946) under section 1603 and otherwise to comply with its unemployment compensation law with respect to the service performed by an officer or member of the crew on or in connection with such vessel to the same extent and with the same effect as though such service was performed entirely within such State. Such person and the officers and members of the crew of such vessel shall not be required to make contributions, with respect to such service, to the unemployment fund of any other State. The permission granted by this subsection is subject to the condition that such service shall be treated, for purposes of wage credits given employees, like other service subject to such State unemployment compensation law performed for such person in such State, and also subject to the same limitation, with respect to contributions required from such person and from the officers and members of the crew of such vessel, as is imposed by the second sentence (other than clause (2) thereof) of subsection (b) of this section with respect to contributions required from instrumentalities of the United States and from individuals in their employ.”

59 Stat. 549.
26 U. S. C., Supp.
V, 1606 (e).

53 Stat. 185.
26 U. S. C. § 1603.

(b) The amendment effected by subsection (a) shall not operate, prior to January 1, 1948, to invalidate any provision, in effect on the date of enactment of this Act, in any State unemployment compensation law.

SEC. 302. DEFINITION OF EMPLOYMENT.

That part of section 1607 (c) of the Internal Revenue Code, as amended, which reads as follows:

53 Stat. 187.
26 U. S. C. § 1607
(c); Supp. V, 1607 (c).

“(c) EMPLOYMENT.—The term ‘employment’ means any service performed prior to January 1, 1940, which was employment as defined in this section prior to such date, and any service, of whatever nature, performed after December 31, 1939, within the United States by an employee for the person employing him, irrespective of the citizenship or residence of either, except—”

is amended, effective July 1, 1946, to read as follows:

“(c) EMPLOYMENT.—The term ‘employment’ means any service performed prior to July 1, 1946, which was employment as defined in this

section as in effect at the time the service was performed; and any service, of whatever nature, performed after June 30, 1946, by an employee for the person employing him, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, except—”.

SEC. 303. SERVICE ON FOREIGN VESSELS.

53 Stat. 187.
26 U. S. C. § 1607 (c)
(4).

Section 1607 (c) (4) of the Internal Revenue Code, as amended, is amended, effective July 1, 1946, to read as follows:

“(4) Service performed on or in connection with a vessel not an American vessel by an employee, if the employee is employed on and in connection with such vessel when outside the United States;”.

SEC. 304. CERTAIN FISHING SERVICES.

53 Stat. 1395.
26 U. S. C. § 1607 (c)
(15); Supp. V, § 1607
(c) (15).
59 Stat. 670.
26 U. S. C., Supp.
V, § 1607 (c) (16).

(a) Section 1607 (c) (15) of such Code is amended by striking out “or” at the end thereof.

(b) Section 1607 (c) (16) of such Code is amended by striking out the period and inserting in lieu thereof the following: “; or”.

(c) Section 1607 (c) of such Code is further amended by adding after paragraph (16) a new paragraph to read as follows:

“(17) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States).”

(d) The amendments made by this section shall take effect July 1, 1946.

SEC. 305. DEFINITION OF AMERICAN VESSEL.

53 Stat. 187; 59 Stat.
549.
26 U. S. C. § 1607;
Supp. V, 1607.
Supra; *post*, p. 989.

Section 1607 of such Code, as amended, is further amended, effective July 1, 1946, by adding after subsection (m) a new subsection to read as follows:

“(n) **AMERICAN VESSEL.**—The term ‘American vessel’ means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.”

SEC. 306. RECONVERSION UNEMPLOYMENT BENEFITS FOR SEAMEN.

58 Stat. 791.
42 U. S. C., Supp.
V, § 1321(c).

The Social Security Act, as amended, is amended by adding after section 1201 (c) a new title to read as follows:

"TITLE XIII—RECONVERSION UNEMPLOYMENT BENEFITS FOR SEAMEN

"SEC. 1301. This title shall be administered by the Federal Security Administrator.

"DEFINITIONS

"SEC. 1302. When used in this title—

"(a) The term 'reconversion period' means the period (1) beginning with the fifth Sunday after the date of the enactment of this title, and (2) ending June 30, 1949.

"(b) The term 'compensation' means cash benefits payable to individuals with respect to their unemployment (including any portion thereof payable with respect to dependents).

"(c) The term 'Federal maritime service' means service determined to be employment pursuant to section 209 (o).

"(d) The term 'Federal maritime wages' means remuneration determined pursuant to section 209 (o) to be remuneration for service referred to in section 209 (o) (1).

57 Stat. 47.
42 U. S. C., Supp.
V, § 409 (o).

"COMPENSATION FOR SEAMEN

"SEC. 1303. (a) The Administrator is authorized on behalf of the United States to enter into an agreement with any State, or with the unemployment compensation agency of such State, under which such State agency (1) will make, as agent of the United States, payments of compensation, on the basis provided in subsection (b), to individuals who have performed Federal maritime service, and (2) will otherwise cooperate with the Administrator and with other State unemployment compensation agencies in making payments of compensation authorized by this title.

Agreement with
State.

"(b) Any such agreement shall provide that compensation will be paid to such individuals, with respect to unemployment occurring in the reconversion period, in the same amounts, on the same terms, and subject to the same conditions as the compensation which would be payable to such individuals under the State unemployment compensation law if such individuals' Federal maritime service and Federal maritime wages had (subject to regulations of the Administrator concerning the allocation of such service and wages among the several States) been included as employment and wages under such law; except that the compensation to which an individual is entitled under such an agreement for any week shall be reduced by 15 per centum of the amount of any annuity or retirement pay which such individual is entitled to receive, under any law of the United States relating to the retirement of officers or employees of the United States, for the month in which such week begins, unless a deduction from such compensation on account of such annuity or retirement pay is otherwise provided for by the applicable State law.

"(c) If in the case of any State an agreement is not entered into under this section or the unemployment compensation agency of such State fails to make payments in accordance with such an agreement, the Administrator, in accordance with regulations prescribed by him, shall make payments of compensation to individuals who file a claim for compensation which is payable under such agreement, or would be payable if such agreement were entered into, on a basis which will provide that they will be paid compensation in the same amounts, on substantially the same terms, and subject to substantially the same conditions as though such agreement had been entered into and such agency made such payments. Final determinations by the Administrator of entitlement to such payments shall be subject to review by the courts in the same manner and to the same extent as is provided in

Payments by Ad-
ministrator.

49 Stat. 622.
42 U. S. C. §§ 401-
409; Supp. V, § 401
et seq.
Anie., p. 732; *post*,
p. 986 *et seq.*

Title II with respect to decisions by the Administrator under such title.

"(d) Operators of vessels who are or were general agents of the War Shipping Administration or of the United States Maritime Commission shall furnish to individuals who have been in Federal maritime service, to the appropriate State agency, and to the Administrator such information with respect to wages and salaries as the Administrator may determine to be practicable and necessary to carry out the purposes of this title.

"(e) Pursuant to regulations prescribed by the Administrator, he, and any State agency making payments of compensation pursuant to an agreement under this section, may—

Determination of
amount, etc.

"(1) to the extent that the Administrator finds that it is not feasible for Federal agencies or operators of vessels to furnish information necessary to permit exact and reasonably prompt determinations of the wages or salaries of individuals who have performed Federal maritime service, determine the amount of and pay compensation to any individual under this section, or an agreement thereunder, as if the wages or salary paid such individual for each week of such service were in an amount equal to his average weekly wages or salary for the last pay period of such service occurring prior to the time he files his initial claim for compensation; and

Acceptance of certi-
fication.

"(2) to the extent that information is inadequate to assure the prompt payment of compensation authorized by this section (either on the basis of the exact wages or salaries of the individuals concerned or on the basis prescribed in clause (1) of this subsection), accept certification under oath by individuals of facts relating to their Federal maritime service and to wages and salaries paid them with respect to such service.

"ADMINISTRATION

"SEC. 1304. (a) Determinations of entitlement to payments of compensation by a State unemployment compensation agency under an agreement under this title shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

49 Stat. 626.
42 U. S. C. §§ 501-
503.
Post, p. 991.

"(b) For the purpose of payments made to a State under Title III administration by the unemployment compensation agency of such State pursuant to an agreement under this title shall be deemed to be a part of the administration of the State unemployment compensation law.

"(c) The State unemployment compensation agency of each State shall furnish to the Administrator such information as the Administrator may find necessary in carrying out the provisions of this title, and such information shall be deemed reports required by the Administrator for the purposes of section 303 (a) (6).

49 Stat. 626.
42 U. S. C. § 503 (a)
(6).

"PAYMENTS TO STATES

"SEC. 1305. (a) Each State shall be entitled to be paid by the United States an amount equal to the additional cost to the State of payments of compensation made under and in accordance with an agreement under this title, which would not have been incurred by the State but for the agreement.

"(b) In making payments pursuant to subsection (a) of this section, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Administrator, such sum as

the Administrator estimates the State will be entitled to receive under this title for each calendar quarter; reduced or increased, as the case may be, by any sum by which the Administrator finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the State. The amount of such payments may be determined by such statistical, sampling, or other method as may be agreed upon by the Administrator and the State agency.

“(c) The Administrator shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment, at the time or times fixed by the Administrator, in accordance with certification, from the funds for carrying out the purposes of this title. Notwithstanding any other provision of this title, no compensation shall be paid to any individual pursuant to this title with respect to unemployment occurring prior to the date when funds are made available for such payments.

Certification of
sums payable.

“(d) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned to the Treasury upon termination of the agreement or termination of the reconversion period, whichever first occurs.

Use.

“(e) An agreement under this title may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Administrator may deem necessary, and may provide for the payment of the cost of such bond from appropriations for carrying out the purposes of this title.

Surety bond.

“(f) No person designated by the Administrator, or designated pursuant to an agreement under this title, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this title.

Liability of certify-
ing officer.

“(g) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (f).

Liability of disburse-
ing officer.

“PENALTIES

“SEC. 1306. (a) Whoever, for the purpose of causing any compensation to be paid under this title or under an agreement thereunder where none is authorized to be so paid, shall make or cause to be made any false statement or representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any compensation authorized to be paid under this title or under an agreement thereunder, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

False statement or
representation.

“(b) Whoever shall obtain or receive any money, check or compensation under this title or an agreement thereunder, without being entitled thereto and with intent to defraud the United States, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

Intent to defraud.

“(c) Whoever willfully fails or refuses to furnish information which the Administrator requires him to furnish pursuant to authority

Failure, etc., to fur-
nish information.

Ante, p. 984.

of section 1303 (d), or willfully furnishes false information pursuant to a requirement of the Administrator under such subsection, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than six months, or both."

TITLE IV—TECHNICAL AND MISCELLANEOUS PROVISIONS

SEC. 401. AMENDMENTS OF TITLE V OF SOCIAL SECURITY ACT.

49 Stat. 647.
42 U. S. C. § 1301
(a) (1).

(a) Effective January 1, 1947, section 1101 (a) (1) of the Social Security Act, as amended, is amended to read as follows:

"(1) The term 'State' includes Alaska, Hawaii, and the District of Columbia, and when used in Title V includes Puerto Rico and the Virgin Islands."

(b) Effective with respect to the fiscal year ending June 30, 1947, and subsequent fiscal years, title V of the Social Security Act, as amended, is amended as follows:

49 Stat. 629.
42 U. S. C. § 701.

(1) Section 501 is amended by striking out "\$5,820,000" and inserting in lieu thereof "\$11,000,000".

49 Stat. 629.
42 U. S. C. § 702 (a).

(2) Section 502 (a) is amended to read as follows:

Supra.

"SEC. 502. (a) Out of the sums appropriated pursuant to section 501 for each fiscal year the Federal Security Administrator shall allot \$5,500,000 as follows: He shall allot to each State \$35,000, and shall allot to each State such part of the remainder of the \$5,500,000 as he finds that the number of live births in such State bore to the total number of live births in the United States, in the latest calendar year for which the Administrator has available statistics."

49 Stat. 629.
42 U. S. C. § 702 (b).

(3) Section 502 (b) is amended by striking out "\$1,980,000" and inserting in lieu thereof "\$5,500,000".

49 Stat. 631.
42 U. S. C. § 711.

(4) Section 511 is amended by striking out "\$3,870,000" and inserting in lieu thereof "\$7,500,000".

49 Stat. 631.
42 U. S. C. § 712 (a).

(5) Section 512 (a) is amended to read as follows:

Supra.

"SEC. 512. (a) Out of the sums appropriated pursuant to section 511 for each fiscal year the Federal Security Administrator shall allot \$3,750,000 as follows: He shall allot to each State \$30,000, and shall allot the remainder of the \$3,750,000 to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them."

49 Stat. 631.
42 U. S. C. § 712 (b).

(6) Section 512 (b) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$3,750,000".

49 Stat. 633.
42 U. S. C. § 721 (a).

(7) Section 521 (a) is amended by striking out "\$1,510,000" and inserting in lieu thereof "\$3,500,000" and is further amended by striking out "\$10,000" and inserting in lieu thereof "\$20,000".

49 Stat. 634.
42 U. S. C. § 731 (a).
Appropriation authorized.
Ante, pp. 913, 914.

(8) Section 541 (a) is amended to read as follows:

"SEC. 541. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1947, the sum of \$1,000,000 for all necessary expenses of the Federal Security Agency in administering the provisions of this title."

(c) The amendments made by subsection (b) shall not require amended allotments for the fiscal year 1947 until sufficient appropriations have been made to carry out such amendments, and allotments from such appropriations shall be made in amounts not exceeding the amounts authorized by the amendments made by this section.

SEC. 402. CHILD'S INSURANCE BENEFITS.

53 Stat. 1364.
42 U. S. C. § 402 (c)
(1).

(a) Section 202 (c) (1) of such Act is amended by striking out the word "adopted" and substituting in lieu thereof the following:

"adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual)".

(b) Section 202 (c) (3) (C) is amended to read as follows:

"(C) such child was living with and was chiefly supported by such child's stepfather."

53 Stat. 1364.
42 U. S. C. § 402 (c)
(3) (C).

SEC. 403. PARENTS' INSURANCE BENEFITS.

(a) Section 202 (f) (1) of such Act is amended by striking out "leaving no widow and no unmarried surviving child under the age of eighteen" and inserting in lieu thereof "if such individual did not leave a widow who meets the conditions in subsection (d) (1) (D) and (E) or an unmarried child under the age of eighteen deemed dependent on such individual under subsection (c) (3) or (4), and"; and by striking out in clause (B) thereof the word "wholly" and inserting in lieu thereof the word "chiefly".

53 Stat. 1366.
42 U. S. C. § 402 (f)
(1).

53 Stat. 1365.
42 U. S. C. § 402 (d)
(1) (D), (E).

Supra.

Applicability.

(b) The amendment made by subsection (a) of this section shall be applicable only in cases of applications for benefits under this Act filed after December 31, 1946.

SEC. 404. LUMP-SUM DEATH PAYMENTS.

(a) Section 202 (g) of such Act is amended to read as follows:

53 Stat. 1366.
42 U. S. C. § 402 (g)

"LUMP-SUM DEATH PAYMENTS

"(g) Upon the death, after December 31, 1939, of an individual who died a fully or currently insured individual leaving no surviving widow, child, or parent who would, on filing application in the month in which such individual died, be entitled to a benefit for such month under subsection (c), (d), (e), or (f) of this section, an amount equal to six times a primary insurance benefit of such individual shall be paid in a lump sum to the person, if any, determined by the Administrator to be the widow or widower of the deceased and to have been living with the deceased at the time of death. If there is no such person, or if such person dies before receiving payment, then such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such insured individual. No payment shall be made to any person under this subsection, unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after the date of death of such insured individual."

Ante, p. 986; *supra*.
53 Stat. 1365.
42 U. S. C. § 402(d),
(e).

Applicability.

(b) The amendment made by subsection (a) of this section shall be applicable only in cases where the death of the insured individual occurs after December 31, 1946.

(c) In the case of any individual who, after December 6, 1941, and before the date of the enactment of this Act, died outside the United States (as defined in section 1101 (a) (2) of the Social Security Act, as amended), the two-year period prescribed by section 202 (g) of such Act for the filing of application for a lump-sum death payment shall not be deemed to have commenced until the date of enactment of this Act.

49 Stat. 647.
42 U. S. C. § 1301 (a)
(2).
Supra.

SEC. 405. APPLICATION FOR PRIMARY INSURANCE BENEFITS.

(a) Section 202 (h) of such Act is amended to read as follows:

"(h) An individual who would have been entitled to a benefit under subsection (a), (b), (c), (d), (e), or (f) for any month had he filed application therefor prior to the end of such month, shall be entitled to such benefit for such month if he files application therefor prior

53 Stat. 1367.
42 U. S. C. § 402 (b).

Ante, p. 986; *supra*.
53 Stat. 1363-1365.
42 U. S. C. § 402 (a),
(b), (d), (e).

to the end of the third month immediately succeeding such month. Any benefit for a month prior to the month in which application is filed shall be reduced, to any extent that may be necessary, so that it will not render erroneous any benefit which, before the filing of such application, the Administrator has certified for payment for such prior month."

Applicability.

(b) The amendment made by subsection (a) of this section shall be applicable only in cases of applications for benefits under this title filed after December 31, 1946.

SEC. 406. DEDUCTIONS FROM INSURANCE BENEFITS.

53 Stat. 1367.
42 U. S. C. § 403 (d)
(2).

(a) Section 203 (d) (2) of such Act (relating to deductions for failure to attend school) is repealed.

53 Stat. 1368.
42 U. S. C. § 403 (g).

(b) Section 203 (g) of such Act (relating to failure to make certain reports) is amended by inserting before the period at the end thereof a comma and the following: "except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to one month's benefit even though the failure to report is with respect to more than one month".

SEC. 407. DEFINITION OF "CURRENTLY INSURED INDIVIDUAL".

53 Stat. 1377.
42 U. S. C. § 409 (h).

(a) Section 209 (h) of such Act is amended to read as follows:
"(h) The term 'currently insured individual' means any individual with respect to whom it appears to the satisfaction of the Administrator that he had not less than six quarters of coverage during the period consisting of the quarter in which he died and the twelve quarters immediately preceding such quarter."

Applicability.

(b) The amendment made by subsection (a) of this section shall be applicable only in cases of applications for benefits under this title filed after December 31, 1946.

SEC. 408. DEFINITION OF WIFE.

53 Stat. 1377.
42 U. S. C. § 409 (i).

(a) Section 209 (i) of such Act is amended to read as follows:

"(i) The term 'wife' means the wife of an individual who either (1) is the mother of such individual's son or daughter, or (2) was married to him for a period of not less than thirty-six months immediately preceding the month in which her application is filed."

Applicability.

(b) The amendment made by subsection (a) of this section shall be applicable only in cases of applications for benefits under this title filed after December 31, 1946.

SEC. 409. DEFINITION OF CHILD.

53 Stat. 1377.
42 U. S. C. § 409 (k).

(a) Section 209 (k) of such Act is amended to read as follows:

"(k) The term 'child' means (1) the child of an individual, and (2) in the case of a living individual, a stepchild or adopted child who has been such stepchild or adopted child for thirty-six months immediately preceding the month in which application for child's benefits is filed, and (3) in the case of a deceased individual, a stepchild or adopted child who was such stepchild or adopted child for twelve months immediately preceding the month in which such individual died."

Applicability.

(b) The amendment made by subsection (a) of this section shall be applicable only in cases of applications for benefits under this title filed after December 31, 1946.

SEC. 410. AUTHORIZATION FOR RECOMPUTATION OF BENEFITS.

Section 209 of such Act is amended by adding after subsection (p) a new subsection to read as follows:

"(q) Subject to such limitation as may be prescribed by regulation, the Administrator shall determine (or upon application shall recompute) the amount of any monthly benefit as though application for such benefit (or for recomputation) had been filed in the calendar quarter in which, all other conditions of entitlement being met, an application for such benefit would have yielded the highest monthly rate of benefit. This subsection shall not authorize the payment of a benefit for any month for which no benefit would, apart from this subsection, be payable, or, in the case of recomputation of a benefit, of the recomputed benefit for any month prior to the month for which application for recomputation is filed."

53 Stat. 1373; 59 Stat. 548.
42 U. S. C. § 409; Supp. V, § 409.
Ante, pp. 732, 988; *post*, pp. 990, 991.

SEC. 411. ALLOCATION OF 1937 WAGES.

Section 209 of such Act is amended by adding after subsection (q) a new subsection to read as follows:

"(r) With respect to wages paid to an individual in the six-month periods commencing either January 1, 1937, or July 1, 1937; (A) if wages of not less than \$100 were paid in any such period, one-half of the total amount thereof shall be deemed to have been paid in each of the calendar quarters in such period; and (B) if wages of less than \$100 were paid in any such period, the total amount thereof shall be deemed to have been paid in the latter quarter of such period, except that if in any such period, the individual attained age sixty-five, all of the wages paid in such period shall be deemed to have been paid before such age was attained."

Supra.

SEC. 412. DEFINITION OF WAGES—INTERNAL REVENUE CODE.

(a) FEDERAL INSURANCE CONTRIBUTIONS ACT.—Section 1426 (a) (1) of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1426 (a) (1)) is amended to read as follows:

53 Stat. 1383.
26 U. S. C. § 1426 (a) (1).

"(1) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid, prior to January 1, 1947, to such individual by such employer with respect to employment during such calendar year; or that part of the remuneration which, after remuneration equal to \$3,000 with respect to employment after 1936 has been paid to an individual by an employer during any calendar year after 1946, is paid to such individual by such employer during such calendar year;"

(b) FEDERAL UNEMPLOYMENT TAX ACT.—Section 1607 (b) (1) of the Federal Unemployment Tax Act (Internal Revenue Code, sec. 1607 (b) (1)) is amended to read as follows:

53 Stat. 1393.
26 U. S. C. § 1607 (b) (1).

"(1) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid after December 31, 1939, and prior to January 1, 1947, to such individual by such employer with respect to employment during such calendar year; or that part of the remuneration which, after remuneration equal to \$3,000 with respect to employment after 1938 has been paid to an individual by an employer during any calendar year after 1946, is paid to such individual by such employer during such calendar year;"

SEC. 413. SPECIAL REFUNDS TO EMPLOYEES.

53 Stat. 1382.
26 U. S. C. § 1401 (d).

Section 1401 (d) of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1401 (d)) is amended to read as follows:

“(d) **SPECIAL REFUNDS.**—

53 Stat. 175.
26 U. S. C. § 1400;
Supp. V, § 1400.
Ante, p. 978.

“(1) **WAGES RECEIVED BEFORE 1947.**—If by reason of an employee rendering service for more than one employer during any calendar year after the calendar year 1939, the wages of the employee with respect to employment during such year exceed \$3,000, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400, deducted from such wages and paid to the collector, which exceeds the tax with respect to the first \$3,000 of such wages received. Refund under this section may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax; except that no such refund shall be made unless (A) the employee makes a claim, establishing his right thereto, after the calendar year in which the employment was performed with respect to which refund of tax is claimed, and (B) such claim is made within two years after the calendar year in which the wages are received with respect to which refund of tax is claimed. No interest shall be allowed or paid with respect to any such refund. No refund shall be made under this paragraph with respect to wages received after December 31, 1946.

53 Stat. 175.
26 U. S. C. § 1400;
Supp. V, § 1400.
Ante, p. 978.

“(2) **WAGES RECEIVED AFTER 1946.**—If by reason of an employee receiving wages from more than one employer during any calendar year after the calendar year 1946, the wages received by him during such year exceed \$3,000, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first \$3,000 of such wages received. Refund under this section may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax; except that no such refund shall be made unless (A) the employee makes a claim, establishing his right thereto, after the calendar year in which the wages were received with respect to which refund of tax is claimed, and (B) such claim is made within two years after the calendar year in which such wages were received. No interest shall be allowed or paid with respect to any such refund.”

SEC. 414. DEFINITION OF WAGES UNDER TITLE II OF SOCIAL SECURITY ACT.

53 Stat. 1373.
42 U. S. C. § 409 (a).

(a) So much of section 209 (a) of the Social Security Act, as amended, as precedes paragraph (3) thereof is amended to read as follows:

“(a) The term ‘wages’ means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

“(1) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year prior to 1940, is paid, prior to January 1, 1947, to such individual by such employer with respect to employment during such calendar year;

“(2) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual with respect to employment during any calendar year after 1939, is paid to such individual, prior to January 1, 1947, with respect to employment during such calendar year;

"(3) That part of the remuneration which, after remuneration equal to \$3,000 with respect to employment has been paid to an individual during any calendar year after 1946, is paid to such individual during such calendar year;"

(b) The paragraphs of section 209 (a) of such Act heretofore designated "(3)", "(4)", "(5)", and "(6)" are redesignated "(4)", "(5)", "(6)", and "(7)", respectively.

SEC. 415. TIME LIMITATION ON LUMP-SUM PAYMENTS UNDER 1935 LAW.

No lump-sum payment shall be made under section 204 of the Social Security Act (as enacted in 1935), or under section 902 (g) of the Social Security Act Amendments of 1939, unless application therefor has been filed prior to the expiration of six months after the date of the enactment of this Act.

49 Stat. 624.
42 U. S. C. § 404.

53 Stat. 1400.

SEC. 416. WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS FOR DISABILITY BENEFITS.

(a) Paragraph (4) of subsection (a) of section 1603 of the Federal Unemployment Tax Act, as amended, is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following: "*Provided*, That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration;"

53 Stat. 185.
26 U. S. C. § 1603 (a)
(4).

(b) The last sentence of subsection (f) of section 1607 of the Federal Unemployment Tax Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "*Provided*, That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration."

53 Stat. 187.
26 U. S. C. § 1607 (f).

(c) Paragraph (5) of subsection (a) of section 303 of the Social Security Act, as amended, is amended by striking out the semicolon immediately before the word "and" at the end thereof and inserting in lieu of such semicolon the following: "*Provided*, That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration;"

49 Stat. 626.
42 U. S. C. § 503 (a)
(5).

TITLE V—STATE GRANTS FOR OLD-AGE ASSISTANCE, AID TO DEPENDENT CHILDREN, AND AID TO THE BLIND

SEC. 501. OLD-AGE ASSISTANCE.

(a) Section 3 (a) of the Social Security Act, as amended, is amended to read as follows:

49 Stat. 621.
42 U. S. C. § 303 (a).

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1946, (1) an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is sixty-five years of age or older and is not an inmate of a public institution, not counting so much of such

expenditure with respect to any such individual for any month as exceeds \$45—

“(A) Two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$15 multiplied by the total number of such individuals who received old-age assistance for such month, plus

“(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.”

49 Stat. 621.
42 U. S. C. § 303 (b).

(b) Section 3 (b) of such Act is amended (1) by striking out “one-half”, and inserting in lieu thereof “the State’s proportionate share”; (2) by striking out “clause (1) of” wherever it appears in such subsection; (3) by striking out “in accordance with the provisions of such clause” and inserting in lieu thereof “in accordance with the provisions of such subsection”; and (4) by striking out “, increased by 5 per centum”.

SEC. 502. AID TO DEPENDENT CHILDREN.

49 Stat. 628.
42 U. S. C. § 603 (a).

(a) Section 403 (a) of the Social Security Act, as amended, is amended to read as follows:

“SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1946, (1) an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds \$24, or if there is more than one dependent child in the same home, as exceeds \$24 with respect to one such dependent child and \$15 with respect to each of the other dependent children—

“(A) Two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$9 multiplied by the total number of dependent children with respect to whom aid to dependent children is paid for such month, plus

“(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose.

49 Stat. 628.
42 U. S. C. § 603 (b).

(b) Section 403 (b) of such Act is amended by striking out “one-half” and inserting in lieu thereof “the State’s proportionate share”.

SEC. 503. AID TO THE BLIND.

49 Stat. 646.
42 U. S. C. § 1203 (a).

(a) Section 1003 (a) of the Social Security Act, as amended, is amended to read as follows:

“SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1946, (1) an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under

the State plan with respect to each needy individual who is blind and is not an inmate of a public institution, not counting so much of such expenditure with respect to any such individual for any month as exceeds \$45—

“(A) Two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$15 multiplied by the total number of such individuals who received aid to the blind for such month, plus

“(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose.”

(b) Section 1003 (b) of such Act is amended by striking out “one-half”, and inserting in lieu thereof “the State’s proportionate share”.

49 Stat. 646.
42 U. S. C. § 1203 (b).

SEC. 504. EFFECTIVE PERIOD.

Sections 501, 502, and 503 shall be effective with respect to the period commencing October 1, 1946, and ending on December 31, 1947.

Ante, pp. 991, 992.

TITLE VI—VETERANS’ EMERGENCY HOUSING ACT OF 1946

SEC. 601. Section 2 (a) of the Act of June 11, 1946 (Public Law 404, Seventy-ninth Congress), is amended by striking out the period at the end thereof and inserting a semicolon and the following: “and the Veterans’ Emergency Housing Act of 1946”.

Ante, p. 237.

Approved August 10, 1946.

Ante, p. 207.

[CHAPTER 952]

AN ACT

To provide additional inducements to citizens of the United States to make a career of the United States military or naval service, and for other purposes.

August 10, 1946

[S. 2460]

[Public Law 720]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Naval Reserve Act of 1938 (52 Stat. 1176) is hereby amended by inserting after the words “insular possessions of the United States” a comma and the following: “including citizens of the Philippine Islands who are members of the naval service at the time independence of the Philippine Islands becomes effective.”

Naval Reserve Act
of 1938, amendments.
34 U. S. C. § 853b.

SEC. 2. Section 204 of the Naval Reserve Act of 1938 (52 Stat. 1179) is hereby amended to read as follows:

34 U. S. C. § 854c.

“SEC. 204. Members of the Navy who first enlisted in the Navy after July 1, 1925, or who reenlisted therein after July 1, 1925, having been out of the Regular Navy for more than three months, may upon their own request be transferred to the Fleet Reserve upon the completion of at least twenty years’ active Federal service. After such transfer, except when on active duty, they shall be paid at the annual rate of 2½ per centum of the annual base and longevity pay they are receiving at the time of transfer multiplied by the number of years of active Federal service: *Provided*, That the pay authorized in this section shall be increased 10 per centum for all men who may be credited with extraordinary heroism in the line of duty: *Provided further*, That the determination of the Secretary of the Navy as to the definition of extraordinary heroism shall be final and conclusive

Transfer to Fleet
Reserve.

Heroism in line of
duty.